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Message Text

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PAGE 01 CARACA 01488 111935Z
ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00
CIEP-01 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FAA-00
DOTE-00 PA-01 PRS-01 LAB-04 SIL-01 /106 W
----------120538Z 012325 /13
R 111800Z FEB 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 6569
INFO AMEMBASSY BOGOTA
USCINCSO
USCINCLANT

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EO 11652 NA
TAGS: PINT, ENRG EINV PINS OTRA PROP EFIN CO VE
SUBJ: THIS WEEK IN VENEZUELA

REF: CARACAS 1223

SUMMARY GOV OFFICIALS CONTINEU TO BE OPTIMISTIC REGARDING OPEC PRICES. R J REYNOLDS CONPANY FINED BS 2 MILLION FOR VIOLATION OF FOREIGN INVESTMENT LAW. MEP REJECTS GOV'S PROPOSED SOLUTION TO DIFERENDO. BEINALDO LEANDRO MORA PULLS OUT OF PRESIDENTIAL RACE. OPINION POLL PUTS COPEI CANDIDATE HERRERA CAMPINS OUT IN FRONT OF POSSIBLE AD AND MAS CANDIDATES. BS 2 BILLION BOND ISSUE AUTHORIZED. INFORMATION MINISTRY DELEGATION TO VISIT WASHINGTON KIDNAPPED CATTLEMAN FREED. END SUMMARY.

2. CONTINUED OPTIMISM ON OPEC PRICES. VENEZUELAN OFFICIALS PUBLICLY MAINTAINED AN OPTIMISTIC AND CONCILIATROY POSITION IN THE FACE OF THE RECENT SAUDI
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ARABIAN REJCETION OF A COMPROMISE PROPOSAL ON OIL PRICES WHICH HAD STRONG GOV SUPPORT. ENERGY MINISTER HERNANDEZ REPEATED THAT THIS DID NOT SIGNIFY CONFRONTATION IN OPEC, CITING THE DECISION OF THE UNITED ARAB EMIRATES NOT TO INCREASE PRODUCTION EVEN THOUGH IT HAS JOINED SAUDI ARABIA IN HOLDING PRICES DOWN. HERNANDEZ PREDICTED IT WAS ONLY A MATTER OF TIME BEFORE OPEC PRICES ARE AGAIN

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UNIFIED, BUT DID NOT HINT AT WHEN THIS MIGHT OCCUR.

2. R J REYNOLDS COMPANY FINED BS 2 MILLION. ACCORDING
TO PRESS REPORTS, THE R J REYNOLDS TOBACCO COMPANY HAS
BEEN FINED BS 2 MILLION BY THE GOV FOR A) INCREASING
ITS EQUITY INVESTMENT IN A VENEZUELAN CORPORATION(TABACALERA
GUARICO, C A) WITHOUT THE PRIOR PERMISSION OF THE SUPER-
INTENDENT OF FOREIGN INVESTMENT (SEIX) AND B) SUBSEQUENTLY
SELLING IT SHOLDINGS IN THE SAME COPRPORATION TO VENEZUELAN
BUYERS, AGAIN WITHOUT THE PRIOR PERMISSION OF SIEX. THE
TWO VENEZUELAN PURCHASERS WERE REPORTEDLY FINED BS 25,000
AND BS 75,000. ACCORDING TO THE DECREE, THE FINES ARE TO
BE PAID WITHIN THIRTY DAYS OF NOTIFICATION.

3. MEP REJECTS PROPOSED SOLUTION TO DIFERENDO.M THE PEOPLE' S
ELECTORAL MOVEMENT PARTY (MEP) BECAME THE FIRST OPPOSITION
PARTY TO REJECT THE PEREZ ADMINISTRATION'S RECENT
PROPOSALS ON A SOLUTION TO THE TERRITORIAL WATERS
DISPUTE WITH COLOMBIA. MEP MADE ITS POSITION KNOWN
OFFICIALLY TO FOREIGN MINISTER RAMON ESCOVAR SALOM
FEB 10 IN A PAPER STATING THAT ALL THE GOV'S
PROPOSALS WERE UNACCEPTABLE, ESPECIALLY THE INFERRED
LINK BETWEEN A TERRITORIAL SETTLEMENT AND AGREEMENT ON
JOINT EXPLOITATION OF SUBMARINE RESOURCES BY BOTH
COUNTRIES IN THE GULF OF VENEZUELA. MEP BELIEVES THE
GOV WILL NOT PROCEED FURTHER WITH ITS LATEST PROPOSALS
SINCE THE ADMINISTRATION HAS PROMISED NOT TO CONCLUDE AN
AGREEMENT WITH COLOMBIA IN THE ABSENCE OF ACQUIESCENCE BY
ALL THE POLITICAL PARTIES.
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4. REINALDO LEANDRO MORA PULLS OUT OF PRESIDENTIAL RACE.
SEN REINALDO LEANDRO MORA, VICE PRESIDENT OF THE RULING
ACCION DEMOCRATICA(AD) PARTY, ANNOUNCED FEB 8 THAT
HE IS NOT AN ASPIRANT FOR AD'S PRESIDENTIAL NOMINATION
IN 1978. LEANDRO MORA GAVE NO REASON FOR HIS SUDDEN
WITHDRAWAL FROM THE RACE AND INDICATED NO PREFERENCE
BETWEEN THE OTHER TWO WOULD-BE CANDIDATES, AD SECRETARY
GENERAL LUIS PINERUA ORDAZ AND PARTY CONGRESSIONAL LEADER
JAIME LUSINCHI. LEANDRO MORA'S NAME WASINJECTED INTO
THE RACE BY AD PRESIDENT GONZALO BARRIOS DURING
LAST MONTH'S AD NATIONAL DIRECTIVE COMMITTEE MEETING
(CARACAS 651), BUT FROM THE START OBSERVERS REGARDED
HIS CANDIDACY AS MORE SYMBOLIC THAN REAL. IN THE WAKE
OF LEANDRO MORA'S WITHDRAWAL BOTH PINERUA AND LUSINCHI
EXPRESSED CONFIDENCE THAT THEY WOULD EMERGE AS THE AD
CANDIDATE, BUT LEANDRO MORA'S DECISION IS EXPECTED TO
BENEFIT LUSINCHI MORE BY REMOVING THE POSSIBILITY OF A
SPLIT IN THE ANTI-PINERUA VOTE WITHIN AD.

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5. OPINION POLL PUTS HERRERA CAMPINS OUT IN FRONT. DATOS,
A VENEZUELAN POLLING ORGANZATION, HAS RELEASED THE
FINDINGS OF ITS LATEST POLL GIVING COPEI SEN LUIS HERRERA
CAMPINS A SLIGHT EDGE OVER AD SECRETARY GENERAL LUIS
PINERUA ORDAZ AND INDEPENDENT-MAS CHALLENGER JOSE VICENTE
RANGEL IN THE 1978 PRESIDENTIAL SWEEEPSTAKES. RESPONDENTS'
PREFERENCES FOR PRESIDENT WERE AS FOLLOWS: HERRERA
CAMPINS, 24 PERCENT; PINERUA, 22PERCENT, RANGEL, 22 PERCENT
NONE OF THE ABOVE, 10 PERCENT; DON'T KNOW, 22 PERCENT.
AD LEADERS PUBLICLY BELITTLED THE POLLS' FINDINGS, NOTING
THAT AD HAS NOT YET CHOSEN A CANDIDATE WHILE HERRERA
CAMPINS IS THE VIRTUAL COPEI NOMINEE. PRIVATELY, HOWEVER,
THEY INDICATED THEIR CONCERN AT THE STRONG SHOWING OF THE
LEFTIST RANGEL, ESPECIALLY AS THE DATOS POLL CONFIRMS A
RECENT AD POLL WHICH ALSO INDICATED GROWING SUPPORT
FOR RANGEL.
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6. TWO BILLION BOLIVAR BOND ISSUE AUTHORIZED.V THE COUNCIL
OF MINISTERS HAS AUTHORIZED THE MINISTRY OF FINANCE TO
ISSUE UP TO BS 2 BILLION ($467.3 MILLION) IN NEW
BOLIVAR-DENOMINATED BONDS IN THE LOCAL MONEY MARKET.
WHILE WE HAVE BEEN TOLD TO EXPECT THAT THE BONDS WILL
BEAR AN INTEREST RATE OF 8 OR 8.5 PERCENT AND AN AVERAGE
MATURITY DATE OF TEN YEARS, THE FINAL DECISION AS TO
TIMING, MATURITY DATES AND INTEREST RATES HAS NOT BEEN
ANNOUNCED.M THE ISSUANCE, AUTHORIZED UNDER THE 1974 PUBLIC
CREDIT LAW, WILL BE USED TO FINANCE DEVELOPMENT OF BASIC
INDUSTRIES IN VENEZUELA UNDER PLAN V.

7. INFORMATION MINISTRY DELEGATION TO WASHINGTON. DIEGO
ARRIA, MINISTER OF THE NEWLY-CREATED MINISTRY OF INFORMATION
AND TOURISM, HAS CONFIRMED A TWO-WEEK VISIT TO WASHINGTON
BEGINNING FEB 28 BY FOUR OFFICIALS FROM THE CENTRL
OFFICE OF INFORMATION TO OBSERVE HOW USIA, STATE AND THE
WHITE HOUSE ARE STRUCTURED TO DISSEMINATE INFORMATION.

8. KIDNAPPED CATTLEMAND FREED. MARCO TORRES OVIEDO, A
ZULIA RANCHER, WAS KIDNAPPED NEAR SAN CARLOS FEB 7
BUT WAS FREED BY HIS CAPTORS TWO DAYS LATER. ALTHOUGH
THE KIDNAPPERS ORIGINALLY DEMANDED A RANSOM, THE
AUTHORITIES STATED TORRES WAS RELEASED WITHOUT A RANSOM
BECAUSE HIS ABDUCTORS FEARED THEY WERE ABOUT TO BE
CAUGHT. THE POLICE HAVE SINCE CAPTURED TWO MEMBERS
OF THE KIDNAP GANG. AS IT DID IN THE CASE OF THE
LOPEZ SANCHEZ KIDNAPPING IN TACHIRA STATE LAST DECEMBER,
THE GOV REITERATED ITS STAND THAT IT WILL NOT PERMIT
RANSOMS TO BE PAID IN KIDNAPPING CASES.

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9. OTHER REPORTING THIS EEEK INCLUDED JUAN JOSE
DELPINO LIKELY TO BE VENEZUELAN NOMINEE FOR ORIT SECRETARY
GENERALSHIP (CARACAS 1288), CORPOZULIA DEVELOPMENT
CORPORATION (CARACAS 1292), RETAIL PRICES, TAXES,
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AND DUTIES ON PETROLEUM PRODUCTS(CARACAS 1319), ALLEGED
BRAZILIAN-GUYANESE TROPP CLASH (CARACAS 1329), CTV LEADERS
TO VISIT ARGENTINA AND PERU(CARACAS 1330), MANAGEMENT
PROBLEMS AT GOV PORTS AUTHORITY (INP) AND THEIR CONSEQUENCES
FOR PROBLEMS OF BERTHING DISCRIMINATION AND PORT CONGESTION
(CARACAS 1398), MAJOR PROJECT: PETROLEUM REFINERIES
(CARACAS 1410), AND MAJOR PROJECT: AUTOMOTIVE EXPANSION
PROGRAM FOUNDRY AND FORGE FACILITIES(CARACAS 1338).
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA01488
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770050-0719
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770251/aaaabsxw.tel
Line Count: 190
Litigation Code IDs:
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Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:10 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:08 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cffaf5c7-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
Reference: 77 CARACAS 1223
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 31-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3346496
Secure: OPEN
Status: NATIVE
Subject: THIS WEEK IN VENEZUELA
TAGS: PINT, ENRG, EINV, PINS, OTRA, PROP, EFIN, CO, VE
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/cffaf5c7-c288-dd11-92da-001cc4696bcc
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